

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

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	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
	:	
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**THE CITY'S IDENTIFICATION
OF LEGAL ISSUES RELATING TO CONFIRMATION**

The City of Detroit (the "City") hereby identifies, pursuant to the Order Regarding Identifying Legal Issues Relating to Confirmation entered by the Court on May 23, 2014 (Docket No. 5021), the following issues of law relating to confirmation of the Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 4392) (the "Plan") that the City believes can be determined without the necessity of proof at the Confirmation Hearing (the "Legal Issues")¹.

The City reserves any and all rights to revise the following Legal Issues to the extent any supplemental objection is filed and raises additional Legal Issues:

¹ Capitalized terms not otherwise defined herein have the meanings given to them in the City's Consolidated Reply to Certain Objections to Confirmation of Fourth Amended Plan for the Adjustment of Debtors of the City of Detroit (Docket No. 5034) (the "Reply").

1. The rebuttable presumption standard championed by Professor Bruce A. Markell does not arise in this case. See Reply, § II.D., at ¶¶ 84-99.
2. The Plan's treatment of the Limited Tax General Obligation Bonds does not violate the absolute priority rule. See Reply, § III.D., at ¶¶ 150-156.
3. The absolute priority rule does not apply to secured claims. See Reply, § III.E.2, at ¶¶ 179-181.
4. The Plan's provisions enjoining collective bargaining over modification of pension benefits for nine years do not preclude confirmation under 11 U.S.C. § 943(b)(4). See Reply, § V.C., at ¶¶ 245-250.
5. The Plan-mandated PFRS and GRS pension investment return and discount rate restrictions do not require the City to take any action in violation of M.C.L. § 38.1140m. See Reply, § V.D., at ¶ 252.
6. The UTGO Settlement does not violate Michigan law. See Reply, § V.E., at ¶¶ 253-256.
7. The Plan satisfies section 1123(a)(4) of the Bankruptcy Code. See Reply, § IX., at ¶¶ 290-293.

8. Debts secured by special revenues are subject to impairment, subject to the applicable requirements of section 1129(b) of the Bankruptcy Code. See Reply, § III.E.1.(a), at ¶¶ 159-160.
9. No-call provisions contained in debts secured by special revenues may be modified in a plan of adjustment. See Reply, § III.E.1.(c), at ¶¶ 166-170.
10. No claim arises from the modification of a no-call provision contained in a debt secured by special revenues in a plan of adjustment. See Reply, § III.E.1.(c), at ¶ 174-176.
11. Neither the best interests test nor the absolute priority rule requires the City to sell assets in order to make payments to creditors, whether or not any particular asset is characterized as "non-core." See Reply, § III.B.1., at ¶¶ 115-116.

Dated: May 27, 2014

Respectfully submitted,

/s/ Bruce Bennett

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ATTORNEYS FOR THE CITY

EXHIBIT A

CERTIFICATE OF SERVICE

I, Bruce Bennett, hereby certify that the foregoing City's Identification of Legal Issues Relating to Confirmation of the City of Detroit was filed and served via the Court's electronic case filing and noticing system on this 27th day of May, 2014.

/s/ Bruce Bennett